

**STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON LABOR,
HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES**

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Chairwoman DeLauro, Ranking Member Cole, and members of the Subcommittee, thank you for the invitation to testify today. I am pleased to appear before this Subcommittee for the first time and to outline the Biden Administration's vision for the Department of Labor in Fiscal Year (FY) 2022 and beyond. I am honored and humbled to lead the Department in its critical work.

The Department's mission is to foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights. This mission is personal to me and my family's story. My father's participation in the Laborers Union, Local 223 in Boston, was the pathway to a fair wage, so my family was not worried about housing insecurity. My parents had a safe workplace, so I never knew the fear of them not returning from work. The job came with a pension, so my parents could retire with dignity. And the job included health insurance, so that when my parents experienced the worst nightmare of having a child diagnosed with cancer, they had health insurance so that I could be treated and recover.

Years later, I followed my father into construction and joined the same union, and experienced those same benefits of having a safe workplace, health insurance, a fair wage, and a pension. These are not abstract policies – these are life-changing rights. I have spent my career fighting for the rights of working people as a State Representative, as General Agent for the Metro Boston Building Trades Council, and as Mayor of Boston. I feel privileged to continue this work as the Secretary of Labor.

American Rescue Plan

As a former Mayor, I know that our communities – and our families – have been hit hard by the COVID-19 pandemic. That’s why it was so important that Congress worked with President Biden to pass the American Rescue Plan (ARP) to change the course of the pandemic and deliver immediate relief for American workers. In terms of jobs, not only does the ARP extend unemployment insurance benefits for our friends and neighbors who lost their jobs during this this pandemic, but it also laid the groundwork for shoring up and modernizing our unemployment insurance system to help workers get the benefits they deserve when they need them. The ARP also helps workers who lost their jobs or had their hours reduced pay for health insurance by fully subsidizing COBRA premiums for eligible individuals from April 1 through September 30 of this year. And it provides additional funding for the Department to help keep vulnerable workers healthy and safe. Finally, ARP also distributes more than \$360 billion in emergency funding for state, local, territorial, and Tribal governments to ensure that they are in a position to keep front line public workers on the job and paid, while also effectively distributing the vaccine, scaling testing, reopening schools, and maintaining other vital services. We

appreciate this landmark law, and we are working hard to ensure that this law is implemented in the way that Congress and the President intended to reopen our economy.

American Jobs Plan

As a former construction worker, I know a good job can change your life. One of the most important things we do at the Labor Department to improve the economy and strengthen the workforce is help people pursue training that leads to good jobs and helps close racial and gender equity gaps throughout the economy. The President's American Jobs Plan is a historic investment in the working people of America. It will create millions of good paying, family sustaining jobs that rebuild the middle class by empowering our workers to build America's future.

The President's plan provides funding for sector-based training programs focused on growing, high-demand sectors, such as clean energy, manufacturing, and caregiving, helping workers of all kinds to find good-quality jobs in an ever-changing economy. In addition, the plan provides for a new Dislocated Workers Program that provides comprehensive supports for workers who have lost jobs through no fault of their own, to ensure they are able to successfully participate in training that can prepare them for in-demand jobs. The plan will prioritize workforce development opportunities for underserved communities and ensure job opportunities are open to, and support, women, people of color, people with disabilities, and people impacted by the criminal justice system, among other disadvantaged groups. Further, subsidized jobs programs will support unemployed and underemployed workers who have faced significant

barriers to employment to gain a key foothold in the labor market. Additional investments to establish more pathways to good jobs include creating up to two million new registered apprenticeship slots, while strengthening access for women, people of color, and individuals with disabilities; creating career pathway programs in middle and high schools, including those that increase access for underrepresented students to computer science and other STEM sectors; and supporting community college partnerships that build capacity to deliver job training programs that lead to good jobs. The plan also makes key investments in expanded career services and adult literacy programs to equip job seekers with the tools, information, and foundational skills they need to be successful in the labor market.

The plan provides critical funding to strengthen the capacity of our labor enforcement agencies to prevent discrimination, protect wages and benefits, enforce health and safety rules, and strengthen health care and pension plans. In addition to these investments, the President is calling for increased penalties when employers violate workplace safety and health rules, which have proven inadequate to address serious violations.

FY 2022 Budget: Supporting America's Workers through the Pandemic to Recovery

Building on the American Rescue Plan and the American Jobs Plan, the Department's FY 2022 budget proposes investments in workers and in our country's future: a future of opportunity and shared prosperity, a future of robust job growth and a thriving middle class, a future where workers nationwide get the skills and training that leads to jobs that pay a fair wage without

risking their health or safety. The Department's budget requests an investment of \$14.2 billion in discretionary resources, which is a 14 percent increase above the FY 2021 enacted level.

The budget includes resources to expand training opportunities, supporting workers and building a better future. There is no single path to a good-paying job, and the country's future growth and prosperity depend, in part, on ensuring workers have multiple pathways to high-quality, good-paying jobs. To that end, the budget requests \$3.7 billion, a six-percent increase, for the Workforce Innovation and Opportunity Act and Wagner Peyser state formula grants to make employment services and training available to more dislocated workers, low-income adults, and disadvantaged youth hurt by the economic fallout from the COVID-19 pandemic.

The budget also invests additional resources in programs that serve marginalized groups, such as justice-involved individuals, at-risk youth, and vulnerable veterans. While higher-income earners have recovered many of the jobs lost, workers in low-wage industries have experienced persistent net loss. As seen in the March 2021 Employment Situation, disparities among workers continue, and over 8 million jobs that existed last February are yet to return. While the overall unemployment rate was 6.0 percent, the African American unemployment rate was 9.6 percent and the Hispanic rate was 7.9 percent, compared with 5.4 percent for whites. For individuals with disabilities, the unemployment rate was 10.2 percent. Due in large part to the impact of the pandemic, there are roughly 3.7 million fewer women working now than there were in February 2020 – and millions more women have had to reduce their hours, often in response to caregiving demands. Women, particularly women of color, continue to face barriers to good jobs with equal

pay. The budget prioritizes investments in these communities of color, with a goal of increasing success for all groups, because systems that are failing these populations are failing us all.

The Department will continue to invest in proven approaches, such as expanding the Registered Apprenticeship model by investing \$285 million, an increase of \$100 million, which will allow the Department to create a more balanced apprenticeship portfolio, support State efforts to implement a reauthorized National Apprenticeship Act, and further the development of youth apprenticeship and pre-apprenticeship opportunities, all while increasing equity for under-represented populations. Registered Apprenticeships provide a pathway to good-paying jobs, and as Secretary of Labor, I am committed to expanding these opportunities across the United States in order to help rebuild the middle class and create millions of new opportunities for workers to enter into relevant, high quality training that both protects workers' rights and propels workers into career paths that provide a sufficient and fair wage. Registered Apprenticeships produce strong results for both employers and workers. The Department's investments in Registered Apprenticeship will work to address the systemic disparities that have impacted women, people of color, and other under-served and under-represented populations.

This last year has again demonstrated that Unemployment Insurance (UI) is an essential social insurance program and economic stabilizer, and it has been a lifeline to millions of workers and to the economy throughout the pandemic. Yet the pandemic uncovered longstanding problems in the UI system, including the challenges facing States' administration of their UI systems. These systems, in part as a result of persistent underfunding and inadequate technology, have been plagued by delays and obstacles that disproportionately affect workers of color. When

benefits are slow to reach workers who have lost their jobs, it delays both their recovery and negatively impacts the country. To address these challenges, the budget provides resources to ensure States can better handle higher volumes of claims and be better prepared for future crises or high unemployment levels. The budget request fully funds and updates the formula for determining the amount States receive to administer UI – the first comprehensive update in decades. In addition, the budget requests \$100 million to support the development of information technology solutions that can be deployed in States to ensure timely and equitable access to benefits. The \$100 million increase will further support and complement the resources the Department was appropriated under the American Rescue Plan to prevent fraud, promote equitable access, and ensure timely payment of benefits.

The budget request includes \$2.1 billion – a 17 percent increase in funding – for our worker protection agencies, enabling the Department to conduct the enforcement and regulatory work needed to ensure workers’ wages, benefits, and rights are protected, address the misclassification of workers as independent contractors, and improve workplace safety and health. These are the staff that recover back wages owed, help prevent fatalities and life-altering injuries or illnesses, respond to whistleblower complaints, reduce exposure to cancer-causing agents, help ensure retirees get their benefits, and address pay inequities. The Department’s ranks of inspectors was depleted during the past Administration, and these resources will allow us to restore staffing levels.

The budget continues the President’s commitment to tackling the climate crisis. For the Department, the request includes an additional \$100 million investment in the multi-agency

POWER+ Initiative, aimed at reskilling and reemploying displaced workers in Appalachian communities. The request also includes \$20 million for a new discretionary program, developed in collaboration with the Department of Veterans Affairs, that is focused on helping transitioning service members, veterans, and military spouses to pursue careers in clean energy, which will help combat climate change while preparing this population for good-paying jobs.

I know we will have a lot of conversations, as we collaborate on the American Jobs Plan and the FY 2022 Budget. I look forward to those collaborations and partnering with you all to invest in the nation's economic recovery. The Department plays an important role in expanding opportunity.

Madam Chairwoman, Ranking Member, thank you for the opportunity to testify. I look forward to discussing our budget request with the committee, and I am happy to respond to any questions you may have.